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SUPPLEMENT MANUFACTURERS PLEAD GUILTY TO SELLING PRODUCTS CONTAINING UNAPPROVED DRUGS

*Anabolic Resources, Inc. Admits Selling Supplements
Containing Methasteron (Superdrol)*

*Nutrition Distribution, Inc. Admits Selling Supplements Containing
6-Bromodione (Hyperdrol) And 2-Diphenylmethyl Pyrrolidine (Slim Xtreme)*

SAN JOSE, Calif. – Anabolic Resources, Inc., doing business as Anabolic Xtreme, a corporation registered in California and Nevada, pleaded guilty today in federal court in San Jose to the introduction and delivery for introduction of unapproved new drugs into interstate commerce with intent to defraud and mislead, United States Attorney Melinda Haag announced. The guilty plea was entered on behalf of the corporate defendant by Kevin Smith, the president of Anabolic Resources, before US District Judge D. Lowell Jensen.

At the same court appearance, Nutrition Distribution, Inc., which also did business as Anabolic Xtreme, pleaded guilty before US District Judge D. Lowell Jensen in federal court in San Jose to the introduction and delivery for introduction of unapproved new drugs into interstate commerce with intent to defraud and mislead. That guilty plea was also entered on behalf of the corporate defendant by Kevin Smith, who is also the president of Nutrition Distribution.

Although Anabolic Resources and Nutrition Distribution were separate corporations, they were owned and operated by some of the same principals and each used the dba Anabolic Xtreme at different times.

Anabolic Resources:

In pleading guilty, Anabolic resources admitted that, beginning in approximately April 2005 and continuing through January 2006, Anabolic Resources knowingly caused to be manufactured and distributed in interstate commerce, the purported dietary supplement, Anabolic Resources Superdrol, which contained a drug that was not approved by the Food and Drug Administration.

Specifically, Anabolic Resources knowingly caused to be manufactured and distributed in interstate commerce Anabolic Resources Superdrol, a purported dietary supplement whose main active ingredient was the synthetic steroid methasteron, also known by the chemical name 17 β -Hydroxy-2 α , 17 α -dimethyl-5 α -androstane-3-one. Anabolic Resources knowingly labeled Anabolic Resources Superdrol in a manner that was intended to deceive consumers and the Food and Drug Administration, in that it was labeled as a dietary supplement, when in fact Anabolic Resources Superdrol could not be defined as a dietary supplement because the active ingredient in the product was a synthetic steroid. Superdrol was actually a drug not approved by the Food and Drug Administration.

Nutrition Distribution:

In pleading guilty, Nutrition Distribution admitted that, beginning in approximately February 2007, and continuing through August 2009, Nutrition Distribution knowingly caused two purported dietary supplements to be manufactured

and distributed in interstate commerce: Anabolic Xtreme Hyperdrol, and Anabolic Xtreme Slim Xtreme, both of which contained drugs that were not approved by the Food and Drug Administration.

Specifically, Nutrition Distribution knowingly caused Anabolic Xtreme Hyperdrol, a purported dietary supplement whose main active ingredient was the synthetic drug 6-Bromodione to be manufactured and distributed in interstate commerce. Furthermore, multiple lots of Anabolic Xtreme Hyperdrol contained the scheduled anabolic steroid androstenedione. Nutrition Distribution knowingly labeled Anabolic Xtreme Hyperdrol in a manner that was intended to deceive consumers and the Food and Drug Administration, in that it was labeled as a dietary supplement, when in fact Anabolic Xtreme Hyperdrol could not be defined as a dietary supplement, as the active ingredient in the product was a synthetic drug, and in some lots, contained a scheduled anabolic steroid.

In addition, Nutrition Distribution knowingly caused Anabolic Xtreme Slim Xtreme, a purported dietary supplement whose main ingredient was the synthetic designer stimulant, 2-diphenylmethyl pyrrolidine, to be manufactured and distributed in interstate commerce. Anabolic Xtreme Slim Xtreme also could not be defined as a dietary supplement, as the active ingredient in the product was a drug.

The Plea Agreements:

Anabolic Resources pleaded guilty pursuant to a plea agreement with the government to violating 21 U.S.C. §§ 331(d) and 333(a)(2), a felony, and was sentenced immediately after the entry of the guilty plea. Anabolic Resources was sentenced to a fine of \$500,000, the maximum fine allowable under the statute.

Nutrition Distribution pleaded guilty pursuant to a plea agreement with the government to violating 21 U.S.C. §§ 331(d) and 333(a)(2), a felony, and was sentenced immediately after the entry of the guilty plea. Nutrition Distribution was sentenced to a forfeiture of \$100,000, which the defendant paid immediately.

The plea agreements require that Anabolic Resources, Nutrition Distribution, and any other continuing entities involved in the manufacture and distribution of dietary and nutritional supplements operated or controlled by Anabolic Resources or Nutrition Distribution, monitor and test, at its own expense, all products distributed by those companies for a period of five years. The testing must be done by an independent testing organization agreed upon by the parties.

The plea agreements also require that Anabolic Resources, Nutrition Distribution and any other continuing entities operated or controlled by Anabolic Resources or Nutrition Distribution not introduce into interstate commerce any products unless and until the monitoring and testing results of that specific lot of product has been received by the FDA from the independent third party testing organization. This monitoring and testing is also separate from, and in addition to, any inspections, sampling, testing or other regulatory actions by FDA which are authorized by statute or regulations.

The plea agreement further requires that Anabolic Resources and Nutrition Distribution destroy, at its own expense, any remaining Superdrol, Hyperdrol, and Slim Xtreme product that was not seized by the government previously. The defendant further agreed to provide certification of such destruction to the government within 30 days of said action.

Matt Parrella and Jeff Nedrow are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Nina Burney Williams. The prosecution is the result of an investigation by the Food and Drug Administration, Office of Criminal Investigations.

Further Information:

Case #: CR-11-00790-DLJ (Nutrition Distribution)
CR-11-00791-DLJ (Anabolic Resources)

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at

<https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at Jack.Gillund@usdoj.gov.

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